



January 26, 2016

HOUSE BILL No. 1046

DIGEST OF HB 1046 (Updated January 21, 2016 4:21 pm - DI 113)

Citations Affected: IC 6-2.5; IC 24-4.

Synopsis: Sales of bullion or currency. Provides a sales tax exemption for transactions involving precious metals bullion or currency. Provides that the secretary of state may issue a temporary license to a foreign entity authorizing the foreign entity to sell precious metals bullion or currency in Indiana.

Effective: July 1, 2016.

**Beumer, Wolkins, Heaton,
Niezgodski**

January 5, 2016, read first time and referred to Committee on Ways and Means.
January 25, 2016, amended, reported — Do Pass.

HB 1046—LS 6250/DI 107



January 26, 2016

Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1046

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-2.5-5-47 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2016]: **Sec. 47. (a) As used in this section, "currency" means a**
4 **coin made of gold, silver, or other metal or paper money that is or**
5 **has been used as legal tender.**
6 **(b) As used in this section, "precious metals bullion" means bars**
7 **or ingots of gold, silver, platinum, palladium, or a combination of**
8 **these materials for which the value of the metal depends on its**
9 **content and not its form.**
10 **(c) Transactions involving:**
11 **(1) the sale of; or**
12 **(2) the lease or rental of storage for;**
13 **precious metals bullion or currency are exempt from the state**
14 **gross retail tax.**
15 SECTION 2. IC 24-4-20 IS ADDED TO THE INDIANA CODE AS
16 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
17 1, 2016]:

HB 1046—LS 6250/DI 107



Chapter 20. Foreign Sellers of Precious Metals Bullion and Currency

Sec. 1. The following definitions apply throughout this chapter:

(1) "Currency" means a coin made of gold, silver, or other metal or paper money that is or has been used as legal tender.

(2) "Foreign entity" means:

(A) if the person is a sole proprietor, an individual who does not reside in Indiana; or

(B) if the person is not a sole proprietor, a person who is not organized under the laws of Indiana.

(3) "Person" means a sole proprietor, a partnership, a corporation, a limited liability company, or other business association.

(4) "Precious metals bullion" means bars or ingots of gold, silver, platinum, palladium, or a combination of these materials for which the value of the metal depends on its content and not its form.

(5) "Secretary" refers to the secretary of state.

Sec. 2. The secretary may issue a temporary license in accordance with this chapter to a foreign entity that:

(1) wishes to sell precious metals bullion or currency in Indiana;

(2) is not otherwise lawfully registered to conduct business in Indiana; and

(3) complies with requirements of this chapter.

Sec. 3. A license issued under this chapter expires not later than twenty-eight (28) days after the date on which the license is issued.

Sec. 4. A foreign entity that wishes to obtain a temporary license to sell precious metals bullion or currency in Indiana under this chapter must do the following:

(1) Submit an application to the secretary in the form and the manner prescribed by the secretary.

(2) Pay a fee of thirty-five dollars (\$35) to the secretary.

Sec. 5. A licensee under this chapter is entitled to sell precious metals bullion and currency in Indiana during the term of the license if the contract:

(1) is for the purchase of precious metal bullion or currency;

(2) requires physical delivery of the quantity of the precious metals bullion or currency purchased not later than twenty-eight (28) calendar days after payment of any part of the purchase price; and

(3) under which the purchaser receives physical delivery of



1 the quantity of precious metals bullion or currency purchased
2 not later than twenty-eight (28) calendar days after payment
3 of any part of the purchase price.

4 Sec. 6. A foreign entity may not sell precious metals bullion or
5 currency in Indiana unless the foreign entity:

- 6 (1) obtains a license under this chapter; or
7 (2) is otherwise authorized to conduct business in Indiana.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1046, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 7, delete "bars, ingots, or commemorative medallions" and insert "**bars or ingots**".

Page 1, after line 14, begin a new paragraph and insert:

"SECTION 2. IC 24-4-20 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

Chapter 20. Foreign Sellers of Precious Metals Bullion and Currency

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Currency" means a coin made of gold, silver, or other metal or paper money that is or has been used as legal tender.
- (2) "Foreign entity" means:
 - (A) if the person is a sole proprietor, an individual who does not reside in Indiana; or
 - (B) if the person is not a sole proprietor, a person who is not organized under the laws of Indiana.
- (3) "Person" means a sole proprietor, a partnership, a corporation, a limited liability company, or other business association.
- (4) "Precious metals bullion" means bars or ingots of gold, silver, platinum, palladium, or a combination of these materials for which the value of the metal depends on its content and not its form.
- (5) "Secretary" refers to the secretary of state.

Sec. 2. The secretary may issue a temporary license in accordance with this chapter to a foreign entity that:

- (1) wishes to sell precious metals bullion or currency in Indiana;
- (2) is not otherwise lawfully registered to conduct business in Indiana; and
- (3) complies with requirements of this chapter.

Sec. 3. A license issued under this chapter expires not later than twenty-eight (28) days after the date on which the license is issued.

Sec. 4. A foreign entity that wishes to obtain a temporary license to sell precious metals bullion or currency in Indiana under this chapter must do the following:

- (1) Submit an application to the secretary in the form and the



manner prescribed by the secretary.

(2) Pay a fee of thirty-five dollars (\$35) to the secretary.

Sec. 5. A licensee under this chapter is entitled to sell precious metals bullion and currency in Indiana during the term of the license if the contract:

- (1) is for the purchase of precious metal bullion or currency;
- (2) requires physical delivery of the quantity of the precious metals bullion or currency purchased not later than twenty-eight (28) calendar days after payment of any part of the purchase price; and
- (3) under which the purchaser receives physical delivery of the quantity of precious metals bullion or currency purchased not later than twenty-eight (28) calendar days after payment of any part of the purchase price.

Sec. 6. A foreign entity may not sell precious metals bullion or currency in Indiana unless the foreign entity:

- (1) obtains a license under this chapter; or
- (2) is otherwise authorized to conduct business in Indiana."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1046 as introduced.)

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Committee Vote: yeas 16, nays 5.

